Canary Islands **FILM**

Eligible Expenditure Canary Islands

54-45% tax rebate for foreign productions in the Canary Islands:

Eligible Expenditure

REGULATIONS:

- Law 20/1991, of 7 June, art. 94 (Corporate Tax Law) LIS
- Law 27/2014, of 27 November, art. 36.2.
- Royal Decree-law 15/2014, of 19 December, modifiying the Canary Islands Economic and Tax Regime.
- CONSULTATION N V2402-15 of 29/07/2015
- Law 3/2017, of 27 June, on General State Budgets for the Year 2017. Additional provision 125.

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Expenses in the Canary Islands directly related to the production:

1. Expenditure on **Creative staff** provided that their tax residence is in Spain or in a European Economic Area Member State.

The Creative staff is made up of the creative crew in a film or audiovisual work including:

- Authors: The director, the Scriptwriter, the director of photography and the score composer
- Actors and other performers who take part in the production
- Technical creative crew: editor, production designer, editor, head of sound, costume designer and the head of prosthetics.

The said expenditure can be on either employment or commercial contracts as the rule does not specify the contractual relation

2. Expenditure on Technical industries and Other Suppliers. The following expenses will be included:

SCRIPT AND MUSIC

- o Additional dialogues
- o Translations
- o Background music composition
- o Orchestra conductor
- o Arranger
- o Recording teachers
- o Singers
- o Music copies
- o Among others

TRANSPORT

- o Production cars
- o Self-drive car hire
- o Camera vans
- o Trucks
- o Buses
- o Taxis on shoot dates
- o Plane tickets (provided the journey is within Spain)

SET DESIGN

- o Decoration and sets
  - Set construction in soundstage
  - Set striking
  - Construction in exterior locations
  - Construction in natural interior
  - Scale models
  - Backdrops
  - Hiring of sets
  - Hiring natural interiors
- o Set dressing
  - Hiring and purchasing furniture
  - Props
  - Garden items
  - Guns
  - Scene vehicles or scene foods
- o Hiring and purchasing costumes
- o Expenses on animals
- o Carriages

PRODUCTION ITEMS

o Sound stages
- Set hire on location filming
- Power supply in the soundstage
- Complementary facilities

o Editing and adding soundtrack
- Editing suites
- Projection rooms
- Dubbing
- Sound recording
- Mix recording as well as the cost of recording the soundtrack
- Magnetic transcription
- Among others

o Script copies
o Photocopies while shooting
o Telephone on shoot dates
o Hiring dressing rooms
o Caravans and office
o Different storage rooms
o Garages on shoot dates
o Cleaning of sets
o Communications while shooting

FILMING EQUIPMENT

o Main camera
o Secondary cameras
o Special and complementary lenses
o Accesories
o Lighting equipment
o Cranes
o Fuel
o Helipcopter/planes
o Sound equipment

LABORATORY

o Film developing
o Positive print
o Magnetic
o Among others

STAFF

o Direction Technical crew
- First assistant director
- Script continuity
- Second assistant director
- Cast director

o Production
- Executive producer
- Production director
- Production Manager
- First production assistant
- Property master
- Second production assistant
- Payroll accountant
- Production secretary

o Photography
- Assistant cameraman
- clapper-loader
- Focus puller
- Still photographer

o Set decoration
- Art director
- Decorator
- Dresser
- Upholsterer
- Head of construction
- Painter
- Carpenter

o Costumes
- Costume designer
- Head seamstress
- Seamstress

o Make-up and hairdressing
- Make-up artist
- Assistants

o Special effects and sound effects
- Head of special effects
- Assistant
- Armorers
- Sound designer
- Ambient sound
- Foley artist

o Sound assistant
o Editing
- Assistant editor

o Related to electrician and grips

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CAST

o Supporting actors
o Doubles
o Stunt doubles
o Extras
o Choreographers
o Dancers
o Orchestra
o Among others

POST PRODUCTION

o Visual effects
o Sound effects
o Animation work
o Subtitling, dubbing and similar

SPECIFIC INSURANCE FOR THE PRODUCTION

o Insurance of the negative
o Shooting equipment
o Public liability
o Accident
o Shoot interruption
o Completion bond
o Among others

OTHER ELIGIBLE EXPENDITURE

o Hotels and food on shoot dates
o Non deducible taxes and fees related to executing the production
o Pre-production expenses such as:
  - Location scouting
  - Casting and similar
o Expenditure on other complementary staff like:
  - Set medic
  - Security
  - Laborers
  - Assistant of any kind

Can be included if they are directly related to the production and are met in Spain

The following expenses cannot be included in the deduction base:

- **Overheads related to administrative tasks** such as office hiring, administrative staff, Courier, post/telegraph, electricity, water, cleaning, stationery, administrative agency, tax, social security and accounts consultancy.

- **Expenses for distribution and circulation** like making copies and publicity.

- **Operating and commercial costs**, such as internegative and copies, publicity (trailer and making of).

- **Expenditure on customs and freight in that they are related to international transport.**

- **Financial expenses on interests** and the costs of negotiating official loans if they are capitalized.